

2008 Schedule G (Form 990 or 990-EZ) Instructions

Supplemental Information Regarding Fundraising or Gaming Activities

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Purpose of Schedule

Schedule G (Form 990 or 990-EZ) is used by an organization that files Form 990 or Form 990-EZ to report **professional fundraising services, fundraising events, and gaming**.

Who Must File

Any organization that answered "Yes" to Form 990, Part IV, *Checklist of Required Schedules*, lines 17, 18, or 19, or entered an amount in Form 990-EZ, Part 1, line 6, must complete the appropriate parts of Schedule G and attach Schedule G to Form 990 or Form 990-EZ, as applicable.

Part I Fundraising Activities: Complete Part I if the organization answered "Yes" to Form 990 Part IV, *Checklist of Required Schedules*, line 17, and reported more than \$15,000 on Form 990, Part IX, *Statement of Functional Expenses*, line 11(e).

- **Part II Fundraising Events:** Complete Part II if the organization answered "Yes" to Form 990, Part IV, *Checklist of Required Schedules*, line 18, and reported a total of more than \$15,000 on Form 990, Part VIII, *Statement of Revenue*, lines 1c and 8a in the aggregate.
- **Part III Gaming:** Complete Part III if the organization answered "Yes" to Form 990, Part IV, *Checklist of Required Schedules*, line 19, and reported more than \$15,000 on Form 990, Part VIII, *Statement of Revenue*, line 9a.
- **Form 990-EZ Filers:** Any organization that reported more than \$15,000 from fundraising events and gaming on Form 990-EZ, line 6a, must also complete and attach Schedule G, Part II and/or Part III (as applicable) to Form 990-EZ. Schedule G, Part I, is not required to be completed by Form 990-EZ filers.

If the organization is not required to file Form 990 or Form 990-EZ, it is not required to file Schedule G.

Specific Instructions

PART I Fundraising Activities

Complete this part only if the organization reported more than \$15,000 on Form 990, Part IX, *Statement of Functional Expenses*, line 11(e). Form 990-EZ filers are not required to complete Part I.

Line 1. Check the box in front of each method of fundraising used by the organization to raise funds during the taxable year.

Line 2a. Check “Yes” if at any time during the year the organization had an agreement with another person or entity to perform **professional fundraising services**. Do not include an officer, director, trustee or employee who conducts professional fundraising services solely in his capacity as an officer, director, trustee or employee of the organization.

The organization must report all agreements for **professional fundraising services** regardless of the form of the agreement (i.e., written, oral). For example, an organization that had a written contract with a business to supply printing and mailing services would report that agreement here if the business *also* provided professional fundraising services (e.g., advice on graphic design or strategy for mailing) to the organization.

Line 2b Column (i). If “Yes” to line 2a, list the ten highest paid individuals or entities who were each paid at least \$5,000 by the organization in the taxable year for **professional fundraising services**. Form 990-EZ filers are not required to complete this table.

Column (ii) Enter the *type(s)* of **fundraising activities** with respect to which the professional fundraiser performed services.

Report the **fundraising activities** consistently with terms used by the organization in the management of its fundraising program. For example, if an organization contracts with a single fundraiser to advise on and coordinate all of its direct mail fundraising, it might enter “consults on direct mail program.” If a consultant were hired to perform data analysis for all aspects of an organization’s public solicitation, it might enter “provides database consulting for direct mail, telephone and email.”

Column (iii) For this purpose, custody or control means possession of the funds or the authority to deposit, direct the use of, or use the funds. Describe the custody or control arrangement in Schedule O.

Column (iv) Enter the gross receipts connected to the services provided by the fundraiser listed in column (i) and received by the organization, or by the fundraiser on the organization’s behalf, during the taxable year.

A professional fundraiser may deliver services in the taxable year and be properly reported in line 2b but have no receipts to report in column (iv). For example, an organization might retain a fundraiser to conduct a feasibility study for a capital campaign. The campaign, if there were to be one, could be conducted in, and produce receipts in, subsequent taxable years. Likewise, a fundraiser might be hired to plan and produce programming for a media campaign. Fees would be properly reported in the taxable year, but there might be no receipts to report until subsequent years when the programming actually airs. In each case, the organization may properly report a “-0-” in column (iv).

Column (v) Enter the dollar amounts in fees paid to or fees withheld by the fundraiser for its **professional fundraising services**.

If the agreement provides for the payment of fees and also for the payment of fundraising expenses, such as printing, paper, envelopes, postage, mailing list rental,

and equipment rental, the organization must report such amounts paid during the year in Schedule O and describe how the agreement distinguishes payments for professional fundraising services from expense payments or reimbursements. Also describe in Schedule O whether the organization entered into any arrangements with fundraisers under which the organization made payments exclusively for such expenses but not for professional fundraising services.

If the agreement does not distinguish between fees for **professional fundraising services** and payment of fundraising expenses, then the organization must report in column (v) the gross amount paid to (or withheld by) the fundraiser.

Column (vi) Subtract column (v) from column (iv).

Line 3. If the organization is registered or licensed, or has been notified that it is exempt from registration or licensing, in all states requiring registration or licensing for solicitation, it may answer "All states."

PART II Fundraising Events

Complete this Part only if the organization reported a total of more than \$15,000 on Form 990, Part VIII, *Statement of Revenue*, lines 1c and 8a in the aggregate, or a total of more than \$15,000 on Form 990-EZ, line 6a. List only **fundraising events** with gross receipts greater than \$5,000 that the organization conducted at any time during the year.

Complete the table listing the two largest **fundraising events** with gross receipts greater than \$5000 each in columns (a) and (b). In column (c), report the total number of other events with gross receipts greater than \$5000 each and report revenues and expenses from these events in the aggregate. If no events other than those listed in columns (a) and (b), if any, exceeded the \$5000 threshold, state "None."

Revenue

Line 1. Gross Receipts. Enter the total amount the organization received from event #1 and event #2 during the taxable year, without subtracting any costs or expenses or charitable contributions received in connection with the event. Enter the total amount the organization received from all other events with gross receipts over \$5,000 during the taxable year in the aggregate, without subtracting any costs, expenses, or charitable contributions received in connection with the events. Report the sum of columns (a), (b) and (c) in column (d).

Line 2. Charitable Contributions. Enter the total amount of contributions, gifts and similar amounts (including the total value of **non-cash contributions**) received by the organization for event #1 and event #2 during the taxable year. Enter the total amount of contributions, gifts and similar amounts received by the organization from all other **fundraising events** with gross receipts over \$5,000 during the taxable year in the aggregate. Report the sum of columns (a), (b) and (c) in column (d).

Line 3. Gross Revenue. Enter the gross revenue (gross receipts less contributions) from events listed without reduction for catering, entertainment, cost of goods sold, compensation, fees, or other expenses. Report the sum of columns (a), (b) and (c) in column (d).

Direct Expense Items

Enter the expense amount in the appropriate column (a through c) for events with gross receipts greater than \$5000 each. Catering and entertainment expenses should be included as other direct expenses. Report the sum of columns (a), (b) and (c) in column (d).

Line 4. Cash Prizes. Enter the total amount paid out as cash prizes.

Line 5. Non-cash Prizes. Enter the fair market value of the non-cash prizes paid or given out for each **fundraising event**.

Line 6. Rent/Facility Costs. Enter the expenses the organization paid or incurred for the rent or lease of property or facilities.

Line 7. Other Direct Expenses. Enter the amount of other direct expense items not included on lines 4 through 6 of Part II (e.g., catering, entertainment, labor). The organization should retain in its records a schedule providing an itemized listing of all other direct expenses not included on lines 4 through 6. For labor costs and wages, include the total amount of compensation paid to **fundraising event** workers or paid to independent contractors for labor costs.

Line 8. Direct Expense Summary. Report the sum of columns (a), (b) and (c) in column (d).

Line 9. Net Income Summary. In column (d), enter the difference between lines 3(d) and 8(d).

PART III – GAMING

Complete this part only if the organization reported more than \$15,000 on Form 990, Part VIII, *Statement of Revenue*, line 9a or on Form 990-EZ, line 6a.

Column (a) Bingo and column (b) Pull tabs. Treat all **bingo** as a single event for column (a) and all **pull tabs** as a single event for column (b).

Column (c) Other Gaming. Includes all other types of gaming not included in column (a) **Bingo**, or (b) **Pull tabs**.

Complete the table for each type of **gaming** conducted (columns (a) through (c)), report the gross revenue (gross receipts less contributions), direct expenses, and net **gaming** income or (loss) (gross revenue less direct expenses).

Line 1. Gross Revenue. Enter the amount of gross revenue from **gaming** for each type of gaming conducted without reduction for cash or non-cash prizes, cost of goods sold, compensation, fees, or other expenses. Report the sum of columns (a) through (c) in column (d).

Direct Expense Items Enter the expense amount in the appropriate column ((a) through (c)) for each type of gaming conducted. Report the sum of columns (a) through (c) in column (d).

Line 2. Cash Prizes Enter the total amount paid out as cash prizes.

Line 3. Non-cash Prizes Enter the fair market value of the non-cash prizes paid or given out for each type of gaming conducted.

Line 4. Rent/Facility Costs Enter the expenses paid or incurred for the rent or lease of property or facilities.

Line 5. Other Direct Expenses. Enter the amount of other direct expense items not included on lines 2 through 4. The organization should retain in its records a schedule providing an itemized listing of all other direct expenses not included on lines 2 through 4.

The itemized listing of direct expenses not included on lines 2 through 4 should include labor costs and wages (including the total amount of compensation paid to gaming workers or paid to independent contractors for labor costs); employment taxes (including the amount of federal, state, and local payroll taxes paid for the year associated with **gaming** workers but only those that are imposed on the organization as an employer. This includes the employer's share of social security and Medicare taxes, the Federal unemployment tax (FUTA), state unemployment compensation taxes, and other state and local payroll taxes. Do not include taxes withheld from the employees' salaries and paid to various governmental units such as federal and state income taxes and the employees' share of social security and Medicare taxes) and excise taxes (including the amount of excise taxes paid for the year). Gaming may be subject to a wagering excise tax (imposed on the amount of the wager; see Form 730, *Tax on Wagering*) and an occupational tax (imposed on the persons engaged in receiving wagers; see Form 11C, *Occupational Tax and Registration Return for Wagering*).

Line 6. Volunteer Labor. If substantially all of the organization's work in conducting a type of **gaming** is performed by **volunteers**, check "Yes" and enter the percentage of total workers who are volunteers for each type of gaming conducted. The percentage is determined by dividing the number of volunteers for each type of gaming by the total number of workers for that type of gaming, both paid and unpaid. Leave column 6(d) blank.

Line 7, column (d). Direct Expense Summary Enter the sum of lines 2(d) through 5(d).

Line 8, column (d). Net Gaming Income Enter the difference between lines 1(d) and 7(d). If line 7 is more than line 1, enter the difference in parentheses.

TIP: For Form 990 filers, the amounts from line 1, column (d), line 7, column (d), and line 8 column (d), must equal the amounts reported on Form 990, Part VIII, *Statement of Revenue*, lines 9a, b, and c, respectively.

Line 9. List all state(s) in which the organization operated gaming during the taxable year. Schedule O provides additional space, if needed.

Line 9a. Check "Yes" only if the organization is licensed or otherwise registered to operate **gaming** in each state listed on Line 9.

Line 9b. If the organization is not licensed or otherwise registered to operate **gaming** in any state listed on Line 9, provide a narrative statement of explanation. Schedule O provides additional space, if needed.

Line 10a. Check “Yes” or “No.”

Line 10b. Provide a narrative statement of explanation for each state in which the organization’s license or registration has been revoked, suspended or terminated during the taxable year. Schedule O provides additional space, if needed.

Line 11. If the organization conducted gaming with nonmembers during the year, check “Yes.”

Line 12. If the organization is a grantor, beneficiary or trustee of a trust or a member of a partnership formed to administer charitable gaming, check “Yes.” For purposes of this question, “a partnership or other entity,” such as a “unit,” means two or more organizations that are authorized under state law to conduct **bingo** or other **gaming** at the same location joining together to account for and/or share revenues, authorized expenses, and inventory related to bingo and gaming operations.

Line 13a. An organization should enter the percentage of **gaming** that it conducted during the year in a facility or facilities that it owned. The facility or facilities need not have been used exclusively for gaming.

Line 13b. An organization should enter the percentage of **gaming** that it conducted during the year in a facility or facilities that it did not own.

Line 14. Provide the person’s name and business address (or the organization’s business address if the books and records are kept by such person at a personal residence). The organization is not required to provide the address or telephone number of a personal residence of an individual.

Line 15a. An organization may pay its own employees to operate **gaming** or contract with a third party for such services. Check “Yes” or “No” to indicate whether the organization has a contract with a third party from which it receives gaming revenue.

Line 15b. If the organization checked “Yes” to line 15a, indicate the amount of **gaming** revenue received by the organization and the amount retained by the third party. If there is more than one third party operator, Schedule O provides additional space to report the additional operator(s), if needed.

Line 15c. If the organization checked “Yes” to line 15b, enter the name and address of the third-party. If there is more than one third party operator, Schedule O provides additional space to report the additional operator(s), if needed.

Line 16. Complete this line for the person who has overall supervision and management of the **gaming** operation. Generally, this person has responsibilities that may include record keeping, money counting, hiring and firing of workers and making the bank deposits for the gaming operation. If more than one person shares this responsibility, Schedule O provides additional space to report the additional person(s), if needed.

Line 17a. Some states require that charitable organizations make mandatory distributions from **gaming** proceeds to obtain and retain a valid gaming license. Check “Yes” or “No” to indicate whether the organization is required to make mandatory distributions from its gaming proceeds to retain its gaming license or registration in any state. Schedule O provides additional space, if needed.

Line 17(b). For all states in which the organization operated **gaming**, enter the aggregate amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization’s own exempt activities during the taxable year. Provide a breakdown of required distributions, by each state, in Schedule O.

For more information, see Publication 3079, *Gaming Publication for Tax-Exempt Organizations*.

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